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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91173267
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

4273371 CANADA INC.,

BOX TTAB - FEE

Opposer,

v.

THE TOPLINE CORPORATION,

Applicant.

Opposition No. 91/173,267

(Serial No. 78/679,485) (Serial No. 78/679,482)

OPPOSER'S REPLY BRIEF TO APPLICANT'S OPPOSITION TO OPPOSER'S CROSS MOTION TO SUSPEND PROCEEDING

Opposer, 4273371 Canada Inc. ("Canada"), submits this reply brief under Trademark Trial and Appeal Board Manual of Procedure ("TBMP") §§ 502.02(b) and 37 C.F.R. §§ 2.127 in further support of its cross-motion under TBMP § 510.02 and 37 C.F.R. § 2.117(a) to suspend the above-captioned opposition proceeding in light of the fact that the parties are currently involved in a federal civil action, namely, *The Topline Corporation et al. v. 4273371 Canada Inc. et al.*, Case No. 07-CV-938 (TSZ) (W.D. Wash. filed June 18, 2007) (the "Civil Action"), which action is currently pending in the United States District Court for the Western District of Washington and may be potentially dispositive of this opposition proceeding in its entirety, including Applicant's, The Topline Corporation's ("Topline") Motion to Divide, as it concerns, *inter alia*, Topline's applied-for mark REPORT SIGNATURE.¹

¹ Topline's Motion to Divide requests that, in light of the fact that Canada's Notice of Opposition excludes "women's footwear" from the opposed goods, the goods "women's footwear" should be divided out of Application Serial No. 78/679,485 to create a "child" application for the mark REPORT SIGNATURE for use in connection with "women's

Canada's Motion to Suspend Should Be Granted Now Rather Than Later

Topline argues in its Opposition to Canada's Motion to Suspend that this proceeding should be suspended only after Topline's Motion to Divide is granted. (Topline's Opposition at pp. 1, 2, 4, and 5).² It makes absolutely no sense to suspend this proceeding only after Topline's opposed application is divided, because the question of whether Topline is even entitled to register REPORT SIGNATURE for "women's footwear" is presently before the district court in the Civil Action.

Canada has filed Counterclaims in the Civil Action alleging that Topline's use of the mark REPORT SIGNATURE in connection with *women's footwear*, among other goods, is likely to cause confusion with Canada's trademark REPORT COLLECTION. *See* Canada's Answer, Affirmative Defenses and Counterclaims filed in the Civil Action, attached as Exhibit B to Canada's Motion to Suspend (TTABVUE Docket #17), ¶¶ 1-52, at pp. 9-18. Canada's Counterclaims seek to have Topline enjoined from further use of the mark REPORT SIGNATURE in connection with footwear, among other goods, and that Topline be ordered to withdraw the applications at issue in this proceeding (Application Serial Nos. 78/679,485 and 78/679,482) as the goods are presently identified in those applications. *See id.* ¶¶ A-J, at pp. 18-20.

The substance of Canada's Counterclaims outlined above directly refutes Topline's assertion that "the civil action between [Topline and Canada] provides no reason to suspend this proceeding before dividing the unopposed goods from [Topline's] application." (Topline's Opposition at p. 4). Topline's purported rights to its use *and* registration of REPORT SIGNATURE for "women's footwear" are directly at issue in the Civil Action. Therefore, Topline's argument that the "primary

footwear."

² Topline's Opposition to Opposer's Motion to Suspend and Topline's Motion to Divide appear as Docket Entries #18 and #14, respectively. The docket for the above-captioned opposition proceeding is available on the TTABVUE database which is accessible online at http://ttabvue.uspto.gov, and provides access to all documents filed to date.

issue" in the Civil Action is whether Canada's expansion of its REPORT COLLECTION men's mark into women's clothing conflicts with Topline's use of REPORT on women's footwear is simply a red herring. (Topline's Opposition at p. 4 n.1).

Moreover, Topline's reference to the preliminary injunction order issued in the Civil Action is disingenuous at best. (*Id.*). That order did not at all concern Topline's use or registration of REPORT SIGNATURE for "women's footwear," but concerned only preliminary findings by the district court regarding Canada's expanded use of REPORT COLLECTION based on a preliminary record created before any discovery was taken. Also, as Topline has failed to mention, the preliminary injunction order was later vacated by the district judge for Topline's failure to post the required security bond. *See* Exhibit A attached hereto - Order dated August 28, 2007 vacating preliminary injunction. If Topline was so certain that its claims in the Civil Action had merit and were likely to succeed, it would have posted the bond - something it chose not to do. Accordingly, Topline's claims and Canada's Counterclaims in the Civil Action are equally at issue, and nothing requires that either take precedence over the other. It therefore makes more sense to suspend this opposition proceeding now rather than granting Topline's Motion to Divide and suspending thereafter.

If the U.S. Patent and Trademark Office ("PTO") issues a registration to Topline for REPORT SIGNATURE covering only "women's footwear" and Canada's Counterclaims in the Civil Action are still *sub judice* before the district court, Canada will be forced to file a petition to cancel the registration and thereafter move to suspend the cancellation proceeding in light of its pending Counterclaims in the Civil Action. Topline's Motion to Divide is therefore nothing "akin to a dispositive motion" as Topline attempts to analogize erroneously. (Topline's Opposition at p. 4).

The fact that Canada may not have opposed "women's footwear" in its Notice of Opposition is not a bar to Canada later filing a petition to cancel any subsequently issued registration covering only "women's footwear." It follows that granting Topline's Motion to Divide will therefore not fully dispose of anything.

In view of the fact that Topline consents to a suspension of this proceeding (*see* Topline's Opposition at pp. 1, 2, and 5) and, in order to avoid the unnecessary expenditure of both the parties' and the Trademark Trial and Appeal Board's ("TTAB") resources from duplicative proceedings, Canada's motion to suspend should be granted now rather than after dividing Topline's Application Serial No. 78/679485.

Topline Will Suffer No Prejudice If Canada's Motion To Suspend Is Granted Sooner Rather Than Later

Citing evidence of the extent of its purported use of REPORT SIGNATURE, Topline argues that it will be prejudiced if this proceeding is suspended because obtaining a federal registration is important to Topline's brand and business. (Topline's Opposition at p. 4 and 5). This is a hollow and makeweight argument.

First, Topline's use of REPORT SIGNATURE is not at issue in this proceeding, only its right to register the mark is in dispute. Accordingly, Topline's use of REPORT SIGNATURE will not be impacted by a suspension of this proceeding. Topline's rights to use REPORT SIGNATURE will be determined in the Civil Action.

Second, if the inability to perfect a federal registration was sufficient prejudice to support the denial of a motion to suspend, any applicant in any opposition could simply claim prejudice and oppose such a motion by alleging that obtaining a federal registration is important to it and that issuance of the registration will be delayed by a suspension. Prejudice cannot possibly be based on

such a self-serving statement.

In sum, Topline has presented no cogent reason that it will suffer any prejudice by an

immediate suspension of this proceeding. To the contrary, it is Canada that will potentially suffer

prejudice if its motion to suspend is not granted. In the event the PTO divides Topline's application

and issues a registration to Topline covering only "women's footwear," Canada will have no choice

but to expend further resources later by commencing a cancellation proceeding in order to protect its

rights. Accordingly, the parties will simply wind up being back before the TTAB in a cancellation

proceeding on issues that are presently before the district court in the Civil Action.

Conclusion

WHEREFORE, for the foregoing reasons, Canada respectfully requests that Topline's

Motion to Divide be denied and that Canada's cross-motion to suspend this proceeding be granted

immediately and not only after Topline's Motion to Divide has been granted.

Respectfully submitted,

DARBY & DARBY P.C.

Dated: New York, New York

March 5, 2008

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CERTIFICATE OF SERVICE

I hereby certify that on March 5, 2008, a copy of the foregoing OPPOSER'S REPLY BRIEF IN FURTHER SUPPORT OF ITS CROSS MOTION TO SUSPEND PROCEEDING was caused to be served upon counsel for Applicant, via First-Class Mail, postage prepaid, addressed as follows:

William O. Ferron, Esq. SEED IP LAW GROUP PLLC 701 Fifth Avenue, Suite 5400 Seattle, Washington 98104

s/Atul R. Singh_____

CERTIFICATE OF TRANSMISSION

I hereby certify that the foregoing document was transmitted by electronic means to the United States Patent and Trademark Office on the date shown below.

Atul R. Singh
(Type or printed Name of Person Signing
Certificate)
s/Atul R. Singh
(Signature)
-
March 5, 2008
(Date)